# EXHIBIT 11

Exhibit(s) 11 Page 3 of 20

Vendor Management Administration

Page 1 of 1

# **Charge Back Cover Sheet**

· CB Number

: 96973

Vendor#

: 70932

Vendor Name

: SONY

Class

: 179

Brand

: SON

PP

: N

Effective Date

: 12/06/2008

PA#

----

PE#

----

Origin

Confirming Letter

☐ Billing Memo

**✓** Support



Circuit City Stores, Inc.

9954 Mayland Drive

Richmond, VA 23233-1464

01/26/2009

Sony Electronics Inc SONY 300 Arboretum Way Suite 310 Richmond, VA 23236

Dear Sony Electronics Inc,

This is to confirm \$133,272.00 committed by Leticia Bergin offered to Circuit City Stores Inc., effective 11/10/2008. These funds are for \$72 TC on HDRSR10, HDRSR11, HDRSR12 for 11/10/08-12/6/08. Supporting details are attached.

Circuit City (CCS) confirms and accepts the funding enumerated above. However, CCS cannot agree to set off any amounts due to CCS against pre petition balances due to the vendor until or unless such set off has been accepted by both parties and approved by the courts.

Payment is due immediately and will be collected via check or wire from the vendor for chargeback # 96973.

All other terms and conditions remain the same.

Sincerely,

Ann Saulsbury

Vendor Management Administration

Page 1 of 2

Status: COMPLETED

Chargeback #:

96973

CR#:

PA #:

**Vendor Name:** 

SONY

Vendor #:

70932

Committed By:

Leticia Bergin

Mail To:

Address:

300 Arboretum Way Created By:

Scaggs, Jessica

City:

Suite 310 Richmond Finalized By:

Lambert, Gregory

Finalized Date:

01/26/2009

State:

٧A

Last Changed By:

Lambert, Gregory

Province/Region:

Last Changed Date:

01/26/2009

Country:

United States

Zip:

23236

Attn To:

Sony Electronics Inc

Copy To:

**Buyer Name:** 

Ann Saulsbury

**Funding Description:** 

\$72 TC on HDRSR10, HDRSR11, HDRSR12 for 11/10/08-12/6/08

Based On:

Sales

Is There A Threshold?

Ν

Sales For:

Class	Brand	Model	Amount Per Unit	Class Description
179	SON	HDRSR11	\$72.00	CAMCORDER
179	SON	HDRSR12	\$72.00	CAMCORDER
179	SON	HDRSR10	\$72.00	CAMCORDER

Gross Sales or Net Sales ?

Net Sales

Sales Based On:

Written 11/10/2008

Start Date: End Date:

**Billing Frequency:** 

12/06/2008 Immediate

Payment How:

Deduct from AP balance

**Vendor Payment Due Days:** 

Allocation On:

**Amount** 

Allocation:

Type CES

Class

SON

Brand

Amount \$133,272.00

% 100.0

Comments:

(POS) 11/9 Sales are listed under CB 96098 with old vendor number

Sub-Type

Instant Rebate

http://vma.ccs.com/web/viewCB.do?method=viewCB

1/26/2009

Vendor Management Administration

Page 2 of 2

### Sales Details:

Item Del	tails				
Class	Brand	Model	Quantity	Amount Per Unit	Chargeback Amount
179	SON	HDRSR10	700	\$72.00	\$50,400.00
179	SON	HDRSR12	57	\$72.00	\$4,104.00
179	SON	HDRSR11	1,094	\$72.00	\$78,768.00
Total			1,851		\$133,272.00

**Workflow Comments:** 

http://vma.ccs.com/web/viewCB.do?method=viewCB

Extribit(0) 11

Exhibit(s) 11 Page 7 of 20

Vendor Management Administration Page 1 of 1

Chargeback #:

96973

Vendor #:

70932

Vendor Name:

SONY

Sales Start Date:

11/10/2008

Sales End Date:

12/06/2008

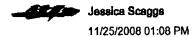
Sales Details:

**Item Details** 

Class	Brand	Model	Quantity	Amount Per Unit	Chargeback Amount
179	SON	HDRSR10	700	\$72.00	\$50,400.00
179	SON	HDRSR12	57	\$72.00	\$4,104,00
179	SON	HDRSR11	1,094	\$72.00	\$78,768.00
Totai			1,851		\$133,272.00

http://vma.ccs.com/web/supportDocCB.do?method=supportDocCB

1/26/2009



To: VMA Chargeback Request@Circuit City, Christi Fecteau/Accounting/Circuit City@CIRCUIT CITY cc: Ann Saulsbury/MDSE/Circuit City@Circuit City

Subject: Fw: Fall/Holiday SP3 programs

Please use as support for CBs 96973, 97282, 97283, 96974, & 96975.

#### Thanks!

Jessica Scaggs Associate Buyer - Imaging Circuit City Stores, Inc. (804) 486-4393 jessica\_scaggs@circuitcity.com

---- Forwarded by Jessica Scaggs/MDSE/Circuit City on 11/25/2008 01:01 PM ----



"Bergin, Leticia" <leticia.bergin@am.sony.com

11/19/2008 03:03 PM

To <Ann\_Saulsbury@circuitcity.com>, <JessIca\_Scaggs@circuitcity.com>, <Tiffany\_Emory@circuitcity.com>

CC

Subject Fall/Holiday SP3 programs

Ann and Team
Please find attached two SP3 programs:

- 1. Fall HD revised Sales News
- 2. Holiday New Sales News

Please contact me if you have any questions. Tish

. . . . . .

Tish Bergin National Account Manager 804-267-2610 office 804-687-2898 mobile



DI-08-66-CAM-Fall 2008 HD SP3 Program-REV1.doc DI-08-75-CAM Hofiday 2008 SP3 Program .doc

# SONY

Sony Electronics Inc.



DI-08-66-REV1

# <u>Digital Imaging Products Division</u> Camcorders Fall 2008 HD SP3 Program

## Sony Product Profitability Program (SP<sup>3</sup>) Guldelines Terms and Conditions

<u>Program Overview</u> – Sony is offering to our authorized dealer base of DI product dealers, a promotional program to drive sales of Sony Camcorders. The details of this opportunity are described below. This program incorporates Advertised Price and trailing credit components that will help participating dealers maximize their profitability on the selected SKU(s).

#### **Eligible Dealers and Reporting**

Eligible Dealers – In order to become a participating dealer, interested and eligible dealers must have a current reseller agreement on file with Sony, be authorized to sell the qualifying product(s), and must be regularly reporting "sell-through" and "on-hand inventories" to Sony or their Sony Representative on their Camcorder business. Dealers who are not reporting this information regularly prior to Nov 1st, 2008 will not be eligible to participate.

Reporting – At the close of the Program Period, participating dealers must report to their local Sony sales representative their on-hand and sell through quantities of all Sony Camcorder Products.

## **Program Periods and Qualifying Product(s)**

Program Period(s) - November 9th, 2008 through January 10th, 2009 all dates inclusive

<u>Qualifying Products</u> - The below listed products will be the qualifying products for this program during the Program Period.

Camcorders - HDR-SR12, HDR-SR11, HDR-SR10

#### **Advertising / Layout Requirements**

<u>Advertising Approval Process</u> – Participating dealers must submit to Sony, for review and collaboration, their advertising vehicle plans, advertising dates and supported SKU's no later than October 15, 2008. Sony will treat this information as confidential.

Advertising Requirements –participating dealers must advertise qualifying products as follows:

The Dealer must run a total of at least six (6) ads during the Program Period and each Qualifying

Product must be advertised at least once in each Advertising Period. However, if a Dealer does not carry one or more of the Qualifying Products, they will not be penalized for the failure to advertise it.

DI-08-66-CAM-Fall 2008 HD SP3 Program-REV1 Page 2

Advertising Period	Qualifying Product	Instant Rebate	Advertised Price
November 9 – December 6, 2008	HDR-SR10	\$100.00	\$799.99
November 9 - December 6, 2008	HDR-SR11	\$100.00	\$999.99
November 9 - December 6, 2008	HDR-SR12	\$100.00	\$1199.99
December 7 – December 28, 2008	HDR-SR10	\$200.00	\$699.99
December 7 - December 28, 2008	HDR-SR11	\$200.00	\$899.99
December 7 - December 28, 2008	HDR-SR12	\$200.00	\$1099.99
December 29 - January 10, 2009	HDR-SR10	\$100.00	\$799.99
December 29 - January 10, 2009	HDR-SR11	\$100.00	\$999.99
December 29 - January 10, 2009	HDR-SR12	\$100.00	\$1199.99

- Web advertising activities will be considered valid proof of advertising only in connection with Qualifying Product that the dealer sells solely on its website. Such advertising must include both the product and the advertised price and be displayed prior to checkout.
- During the Program Period, Dealers may not advertise any of the Qualifying Products as part of a bundle, or otherwise condition the Advertised Price on the purchase of additional items.

So long as dealer meets these minimum requirements, nothing shall prevent the dealer from advertising additional products simultaneously. Dealer must use the <u>primary</u> advertising vehicle(s) that they generally use in the normal course of their business. A primary advertising vehicle may be in-store advertising, Email blasts, magazine ads, flyers and catalogs, Sunday inserts and newsprint, radio and broadcast ads. If a dealer's primary advertising vehicle for its business is the internet (as opposed to print advertising), and the dealer receives approval from their Sony National Sales Manager in advance, dealer may satisfy the advertising requirement (below) by advertising the offer on their website during the entire applicable Advertising Period in a manner at least as prominent as the most prominent third party advertisement for product sold on the site at the same time.

As part of the Program, and in order to receive the trailing credit amounts, participating dealers must also meet the following requirements:

<u>Value Add Offer(s)</u> – Participating dealers agree that the advertising of these qualifying products will be expressly excluded from "global offerings" being advertised by the participating dealer during the applicable Program Periods (such as Free Printer Offers, Free Memory Card Offers, etc.) The only exception with regard to "global offerings" allowed will be Free Financing Offers from the dealer on entire product categories (for instance, 12 months same as cash on all Camcorders).

<u>Advertising Layout</u> – Participating dealers must execute their advertising in the following format in order to collect the trailing credits being offered in this program:

Product will be quoted as "after instant discount". For example, a product that might normally sell in the participating dealers' storefront for \$399.99 may be presented / promoted as "Normally \$399.99, This Week! \$349.99 after instant savings" or along these lines. The Sony Representative reviewing the advertising will have final say as to the advertisement being within guidelines.

Advertising the qualifying product at the "after savings" price (set forth above) will be considered correct under this program, and the participating dealers advertising in this manner will be entitled to receive accumulated or future trailing credits under this program. Under this program, Sony will not support any final advertised pricing below the defined guidelines. Advertising incorporating any buttons or links

1/26/2009

allowing purchasers to "Click here to see lower price" (or similar) prior to checkout, where the "lower price" is below the Advertised Pricing set forth above, will not qualify for participation in this Program.

Participating dealers may not use the word "only" when referencing dates and discounts in conjunction with the execution of this program. Advertising including terms such as "This Week Only" or "Only This Week" when referencing the qualifying product pricing will not be eligible for credits under this program.

Trailing Credits - As long as all program requirements (above) are met, trailing credits will be paid on qualifying products sold during the applicable Advertising Period(s). Trailing credits will be paid on sell-through quantities only on the below listed models and dates.

If a dealer does not meet all of the requirements for this program, the dealer shall not be entitled to receive any Trailing Credits. No exceptions will be allowed.

Advertising Period	Qualifying Product	Trailing Credit
November 9 – December 6, 2008	HDR-SR10	\$72,00
November 9 - December 6, 2008	HDR-SR11	\$72.00
November 9 - December 6, 2008	HDR-SR12	\$72.00
December 7 – December 28, 2008	HDR-SR10	\$144.00
December 7 – December 28, 2008	HDR-SR11	\$144.00
December 7 – December 28, 2008	HDR-SR12	\$144.00
December 29 - January 10, 2009	HDR-5R10	\$72.00
December 29 – January 10, 2009	HDR-SR11	\$72.00
December 29 - January 10, 2009	HDR-SR12	\$72.00

Ending Inventory - To ensure a successful promotion, Sony encourages participating dealers to accurately plan sell through of their product over the promotional periods. We anticipate that successful participating dealers will plan their business such that they have reasonable on hand inventories of all of the qualifying SKU's by November 1, 2008. Participating dealers understand that overages or improper inventory levels of Sony Camcorders at the end of the promotional periods are the sole responsibility of the dealer.

<u>Program Variances - Sony reserves the right to refuse any and all payments to any </u> participating dealer if any of the program quidelines are not followed. Sony reserves the sole right to decide if a participating dealer has performed outside of program guidelines

### Claim / Collection Requirements

Claim Submission & Payment - All claims submitted to Sony for the trailing credit amounts must be received no later than close of business February 28, 2009. Sony reserves the right to reject any trailing credit claims received after this date. Program claims must be submitted as a single package document (participating dealer shall submit all paperwork in a single claim for the entire program). Sony will pay all undisputed claims in full within 30 days.

<u>Claim Contents</u> – Claims to Sony <u>must</u> contain the following data:

- Sell through of product (unit basis) for the weeks outlined in the above program on a by SKU. basis. Credits issued by Sony will not, for any reason exceed the amounts defined in the Trailing Credit Section above.
- 2. Copies of the advertisements that were run by the dealer showing full participation. (The advertising claims submitted will not be valid unless they ran on the applicable program dates with respect to eligible products.)
- 3. Debit Memo for the total trailing credit amount being requested from Sony referencing Sales News **DI-08-66**.

DI-08-66-CAM-Fall 2008 HD SP3 Program-REV1 Page 4

#### **Credits, Discounts & Rebates Programs**

Credits, discounts, rewards and rebates issued to the Retailers under this program are available for use by the Retailers only for the future purchase of products from Sony, are not cash equivalents, do not create a right of payment to the Retailers, and are not deemed earned until products purchased with them are paid for in full. Any such credits, discounts, rewards and rebates are subject to all of Sony's rights under applicable state or federal law, including, but not limited to, its rights of setoff and recoupment.

If Retailer is the subject of a voluntary or involuntary bankruptcy proceeding, Sony will have the full right to effect a reconciliation of accounts with the Retailers by applying any such credits, discounts, rewards and rebates due to the Retailers against amounts due to Sony.

If any merchandise or amounts previously paid by Retailers to Sony are returned, forfeited, or subject to avoidance or similar action for any reason, including in any bankruptcy proceeding or similar proceeding under any similar state or federal law, such credits, discounts, rewards and rebates will be deemed null and void and not earned, and any credits, discounts and rebates previously issued to the Retailers that, for whatever reason, are not deemed null and void, will be used to offset any amounts due Sony.

Please note that any deviation from these terms and conditions will result in Sony's refusal to pay trailing credits. Participating dealers who elect to engage in advertising practices outside the above defined requirements will not be eligible for the trailing credit payments described above. This program may be terminated or modified by Sony at any time at its sole discretion.

### **Credits Administration**

CSS please use Reason Code ZAM and reference the Sales News DI-08-66.

Questions regarding coding of credits, please contact **DIAD** Finance Kristen George.

Sales News Administration: Pricing Support Services

EMail address: Pricing Support Services

Issued/Revised Date:	lssued/Revised By:	Revision No.
October 21, 2008	Pricing Support Services	
November 18, 2008	Pricing Support Services	1

# SONY

Sony Electronics Inc.



DI-08-66-REV1

# <u>Digital Imaging Products Division</u> Camcorders Fall 2008 HD SP3 Program

## Sony Product Profitability Program (SP<sup>3</sup>) Guidelines Terms and Conditions

<u>Program Overview</u> – Sony is offering to our authorized dealer base of DI product dealers, a promotional program to drive sales of Sony Camcorders. The details of this opportunity are described below. This program incorporates Advertised Price and trailing credit components that will help participating dealers maximize their profitability on the selected SKU(s).

# **Eligible Dealers and Reporting**

Eligible Dealers — In order to become a participating dealer, interested and eligible dealers must have a current reseller agreement on file with Sony, be authorized to sell the qualifying product(s), and must be regularly reporting "sell-through" and "on-hand inventories" to Sony or their Sony Representative on their Camcorder business. Dealers who are not reporting this information regularly prior to Nov 1st, 2008 will not be eligible to participate.

<u>Reporting</u> – At the close of the Program Period, participating dealers must report to their local Sony sales representative their on-hand and sell through quantities of all Sony Camcorder Products.

# **Program Periods and Qualifying Product(s)**

Program Period(s) - November 9th, 2008 through January 10th, 2009 all dates inclusive

<u>Qualifying Products</u> - The below listed products will be the qualifying products for this program during the Program Period.

Camcorders - HDR-SR12, HDR-SR11, HDR-SR10

# **Advertising / Layout Requirements**

<u>Advertising Approval Process</u> – Participating dealers must submit to Sony, for review and collaboration, their advertising vehicle plans, advertising dates and supported SKU's no later than October 15, 2008. Sony will treat this information as confidential.

Advertising Requirements —participating dealers must advertise qualifying products as follows: The Dealer must run a total of at least six (6) ads during the Program Period <u>and</u> each Qualifying Product must be advertised at least once in each Advertising Period. However, if a Dealer does not carry one or more of the Qualifying Products, they will not be penalized for the failure to advertise it.

DI-08-66-CAM-Fall 2008 HD SP3 Program-REV1 Page 2

Advertising Period	Qualifying Product	Instant Rebate	Advertised Price
November 9 – December 6, 2008	HDR-SR10	\$100.00	\$799.99
November 9 - December 6, 2008	HDR-SR11	\$100.00	\$999.99
November 9 – December 6, 2008	HDR-SR12	\$100.00	\$1199.99
December 7 - December 28, 2008	HDR-SR10	\$200.00	<u>\$699.99</u>
December 7 – December 28, 2008	HDR-SR11	\$200.00	\$899.99
December 7 – December 28, 2008	HDR-SR12	\$200,00	\$1099.99
December 29 - January 10, 2009	HDR-SR10	\$100.00	\$799.99
December 29 – January 10, 2009	HDR-SR11	\$100.00	\$999.99
December 29 - January 10, 2009	HDR-SR12	\$100.00	\$1199.99

- Web advertising activities will be considered valid proof of advertising only in connection with Qualifying Product that the dealer sells solely on its website. Such advertising must include both the product and the advertised price and be displayed prior to checkout.
- During the Program Period, Dealers may not advertise any of the Qualifying Products as part of a bundle, or otherwise condition the Advertised Price on the purchase of additional items.

So long as dealer meets these minimum requirements, nothing shall prevent the dealer from advertising additional products simultaneously. Dealer must use the primary advertising vehicle(s) that they generally use in the normal course of their business. A primary advertising vehicle may be in-store advertising, Email blasts, magazine ads, flyers and catalogs, Sunday inserts and newsprint, radio and broadcast ads. If a dealer's primary advertising vehicle for its business is the internet (as opposed to print advertising), and the dealer receives approval from their Sony National Sales Manager in advance, dealer may satisfy the advertising requirement (below) by advertising the offer on their website during the entire applicable Advertising Period in a manner at least as prominent as the most prominent third party advertisement for product sold on the site at the same time.

As part of the Program, and in order to receive the trailing credit amounts, participating dealers must also meet the following requirements:

<u>Value Add Offer(s)</u> - Participating dealers agree that the advertising of these qualifying products will be expressly excluded from "global offerings" being advertised by the participating dealer during the applicable Program Periods (such as Free Printer Offers, Free Memory Card Offers, etc.) The only exception with regard to "global offerings" allowed will be Free Financing Offers from the dealer on entire product categories (for instance, 12 months same as cash on all Camcorders).

Advertising Layout - Participating dealers must execute their advertising in the following format in order to collect the trailing credits being offered in this program:

Product will be quoted as "after instant discount". For example, a product that might normally sell in the participating dealers' storefront for \$399.99 may be presented / promoted as "Normally \$399.99, This Week! \$349.99 after instant savings" or along these lines. The Sony Representative reviewing the advertising will have final say as to the advertisement being within quidelines.

Advertising the qualifying product at the "after savings" price (set forth above) will be considered correct under this program, and the participating dealers advertising in this manner will be entitled to receive accumulated or future trailing credits under this program. Under this program, Sony will not support any final advertised pricing below the defined guidelines. Advertising incorporating any buttons or links

DI-08-66-CAM-Fall 2008 HD SP3 Program-REV1

allowing purchasers to "Click here to see lower price" (or similar) prior to checkout, where the "lower price" is below the Advertised Pricing set forth above, will not qualify for participation in this Program.

Participating dealers may <u>not</u> use the word "only" when referencing dates and discounts in conjunction with the execution of this program. Advertising including terms such as "This Week Only" or "Only This Week" when referencing the qualifying product pricing will <u>not</u> be eligible for credits under this program.

<u>Trailing Credits</u> – As long as all program requirements (above) are met, trailing credits will be paid on qualifying products sold during the applicable <u>Advertising Period(s)</u>. Trailing credits will be paid on sell-through quantities only on the below listed models and dates.

# If a dealer does not meet <u>all</u> of the requirements for this program, the dealer shall not be entitled to receive any Trailing Credits. No exceptions will be allowed.

Advertising Period	Qualifying Product	Trailing Credit
November 9 – December 6, 2008	HDR-SR10	\$72.00
November 9 - December 6, 2008	HDR-SR11	\$72.00
November 9 – December 6, 2008	HDR-SR12	\$72.00
December 7 – December 28, 2008	HDR-SR10	\$144.00
December 7 – December 28, 2008	HDR-SR11	\$144.00
December 7 – December 28, 2008	HDR-SR12	\$144.00
December 29 - January 10, 2009	HDR-SR10	\$72.00
December 29 - January 10, 2009	HDR-SR11	\$72.00
December 29 – January 10, 2009	HDR-SR12	\$72.00

<u>Ending Inventory</u> - To ensure a successful promotion, Sony encourages participating dealers to accurately plan sell through of their product over the promotional periods. We anticipate that successful participating dealers will plan their business such that they have reasonable on hand inventories of all of the qualifying SKU's by November 1, 2008. Participating dealers understand that overages or improper inventory levels of Sony Camcorders at the end of the promotional periods are the sole responsibility of the dealer.

<u>Program Variances</u> – <u>Sony reserves the right to refuse any and all payments to any participating dealer if any of the program guidelines are not followed.</u> Sony reserves the sole right to decide if a participating dealer has performed outside of program guidelines

# Claim / Collection Requirements

<u>Claim Submission & Payment</u> – All claims submitted to Sony for the trailing credit amounts must be received no later than close of business February 28, 2009. Sony reserves the right to reject any trailing credit claims received after this date. Program claims must be submitted as a single package document (participating dealer shall submit all paperwork in a single claim for the entire program). Sony will pay all undisputed claims in full within 30 days.

Claim Contents - Claims to Sony must contain the following data:

- Sell through of product (unit basis) for the weeks outlined in the above program on a by SKU basis. Credits issued by Sony will not, for any reason exceed the amounts defined in the Trailing Credit Section above.
- Copies of the advertisements that were run by the dealer showing full participation. (The advertising claims submitted will not be valid unless they ran on the applicable program dates with respect to eligible products.)
- 3. Debit Memo for the total trailing credit amount being requested from Sony referencing Sales News **DI-08-66**.

DI-08-66-CAM-Fail 2008 HD SP3 Program-REV1 Page 4

# Credits, Discounts & Rebates Programs

Credits, discounts, rewards and rebates issued to the Retailers under this program are available for use by the Retailers only for the future purchase of products from Sony, are not cash equivalents, do not create a right of payment to the Retailers, and are not deemed earned until products purchased with them are paid for in full. Any such credits, discounts, rewards and rebates are subject to all of Sony's rights under applicable state or federal law, including, but not limited to, its rights of setoff and recoupment.

If Retailer is the subject of a voluntary or involuntary bankruptcy proceeding, Sony will have the full right to effect a reconciliation of accounts with the Retailers by applying any such credits, discounts, rewards and rebates due to the Retailers against amounts due to Sony.

If any merchandise or amounts previously paid by Retailers to Sony are returned, forfeited, or subject to avoidance or similar action for any reason, including in any bankruptcy proceeding or similar proceeding under any similar state or federal law, such credits, discounts, rewards and rebates will be deemed null and void and not earned, and any credits, discounts and rebates previously issued to the Retailers that, for whatever reason, are not deemed null and void, will be used to offset any amounts due Sony.

Please note that any deviation from these terms and conditions will result in Sony's refusal to pay trailing credits. Participating dealers who elect to engage in advertising practices outside the above defined requirements will not be eligible for the trailing credit payments described above. This program may be terminated or modified by Sony at any time at its sole discretion.

### Credits Administration

CSS please use Reason Code ZAM and reference the Sales News DI-08-66.

Questions regarding coding of credits, please contact DIAD Finance Kristen George.

Sales News Administration: Pricing Support Services

EMail address: Pricing Support Services

issued/Revised Date:	Issued/Revised Bv:	Revision No.
October 21, 2008	Pricing Support Services	
November 18, 2008	Pricing Support Services	1

# SONY

Sony Electronics Inc.



DI-08-75

# **Digital Imaging Products Division** Camcorders Holiday 2008 SP3 Program

## Sony Product Profitability Program (SP3) Guidelines **Terms and Conditions**

<u>Program Overview</u> – Sony is offering to our authorized dealer base of DI product dealers, a promotional Program to drive sales of Sony Camcorders. The details of this opportunity are described below. This Program incorporates Advertised Price and trailing credit components that will help participating dealers maximize their profitability on the selected SKU(s).

### **Eligible Dealers and Reporting**

Eligible Dealers - In order to become a participating dealer, interested and eligible dealers must have a current reseller agreement on file with Sony, be authorized to sell the Qualifying Product(s), and must be regularly reporting "sell-through" and "on-hand inventories" to Sony or their Sony Representative on their Camcorder business. Dealers who are not reporting this information regularly prior to Nov 15th, 2008 will not be eligible to participate.

Reporting - At the close of the Program Period, participating dealers must report to their local Sony sales representative their on-hand and sell through quantities of all Sony Camcorder Products.

# Program Periods and Qualifying Product(s)

Program Period: November 23rd through December 24th 2008

#### Advertising Periods:

- 1. November 23<sup>rd</sup> through November 29<sup>th</sup> 2008
- December 7<sup>th</sup> through December 13<sup>th</sup> 2008
   December 7<sup>th</sup> through December 24<sup>th</sup> 2008
   December 14<sup>th</sup> through December 24<sup>th</sup> 2008

Qualifying Products: (HDRTG1, ACCTCH5 & LCMTGA), HDRCX12, DCRDVD810, DCRSR85, DCRSR45

### **Advertising / Layout Requirements**

Advertising Approval Process - Participating dealers must submit to Sony, for review and collaboration, their advertising vehicle plans, advertising dates and supported SKU's no later than November 15th, 2008. Sony will treat this information as confidential.

DI-08-75-CAM Holiday 2008 SP3 Program Page 2

Advertising Requirements –participating dealers must advertise Qualifying Products as follows:

Advantising Desired	Models	IR Amount	Advertised Price
Advertising Period  November 23 <sup>rd</sup> through November 29 <sup>th</sup> 2008	HDRTG1, ACCTCH5 & LCMTGA	\$100.00	\$899.99
	HDRCX12	\$100.00	\$799.99
December 7 <sup>th</sup> through December 13 <sup>th</sup> 2008	DCRDVD810	\$30.00	\$369.99
December 7 <sup>th</sup> through December 24 <sup>th</sup> 2008	HDRCX12	\$100.00	\$799.99
	DCRSR85	\$100.00	\$449.99
	DCRSR45	\$50.00	\$349.99
December 14 <sup>th</sup> through December 24 <sup>th</sup> 2008	HDRTG1, ACCTCH5 & LCMTGA	\$100.00	\$899.99

As part of the Program, and in order to receive the trailing credit amounts set forth below, participating dealers must also meet the following advertising requirements:

Subject to the applicable Advertising Periods described above, all Qualifying Products must be advertised at least twice during the Program Period except the following models, which must be advertised at least once during the Program Period: (HDRTG1, ACCTCH5 & LCMTGA) and DCRDVD810. As a result, the dealer should run a total of 8 ads during the Program Period. Please note, if a Dealer does not carry one or more of the Qualifying Products, they will not be penalized for the failure to advertise it.

- Web activities are considered valid proof of advertising for Web-only models.
- Web advertising activities will be considered valid proof of advertising only in connection with Qualifying Product that the dealer sells solely on its website. Such advertising must include both the product and the advertised price and be displayed prior to checkout (strikethrough's do not qualify).
- During the Program Period, Dealers may not condition the advertised price (above) on the purchase of additional items.

So long as dealer meets these minimum requirements, nothing shall prevent the dealer from advertising additional products simultaneously. Dealer must use the <u>primary</u> advertising vehicle(s) that they generally use in the normal course of their business. A primary advertising vehicle may be in-store advertising, Email blasts, magazine ads, flyers and catalogs, Sunday inserts and newsprint, radio and broadcast ads. If a dealer's primary advertising vehicle for its business is the internet (as opposed to print advertising), and the dealer receives approval from their Sony National Sales Manager in advance, dealer may satisfy the advertising requirement (below) by advertising the offer on their website during the entire applicable period in a manner at least as prominent as the most prominent third party advertisement for product sold on the site at the same time.

<u>Value Add Offer(s)</u> – Participating dealers agree that the advertising of these Qualifying Products will be expressly excluded from "global offerings" being advertised by the participating dealer during the applicable Program Periods (such as Free Printer Offers, Free Memory Card Offers, etc.) The only exception with regard to "global offerings" allowed will be Free Financing Offers from the dealer on entire product categories (for instance, 12 months same as cash on all Camcorders).

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<u>Advertising Layout</u> – Participating dealers must execute their advertising in the following format in order to collect the trailing credits being offered in this Program:

Product will be quoted as "after instant discount". For example, a product that might normally sell in the participating dealers' storefront for \$399.99 may be presented / promoted as "Normally \$399.99, This Week! \$349.99 after instant savings" or along these lines. The Sony Representative reviewing the advertising will have final say as to the advertisement being within quidelines.

Advertising the Qualifying Product at the "after savings" price (set forth above) will be considered correct under this Program, and the participating dealers advertising in this manner will be entitled to receive accumulated or future trailing credits under this Program. Under this Program, Sony will not support any final advertised pricing below the defined guidelines. Advertising incorporating any buttons or links allowing purchasers to "Click here to see lower price" (or similar) prior to checkout, where the "lower price" is below the Advertised Pricing set forth above, will not qualify for participation in this Program. Strikethrough's where the SP3 price is not shown as the final advertised price will also not qualify.

Participating dealers may <u>not</u> use the word "only" when referencing dates and discounts in conjunction with the execution of this Program. Advertising including terms such as "This Week Only" or "Only This Week" when referencing the Qualifying Product pricing will <u>not</u> be eligible for credits under this Program.

<u>Trailing Credits</u> – As long as all Program requirements (above) are met, trailing credits will be paid on Qualifying Products advertised and sold during the applicable <u>Advertising Period(s)</u>. Trailing credits will be paid on sell-through quantities only on the below listed models and dates.

If a dealer does not meet <u>all</u> of the requirements for this Program, the dealer shall not be entitled to receive any Trailing Credits. No exceptions will be allowed.

Advertising Period	Models	Credit Amount
November 23 <sup>rd</sup> through November 29 <sup>th</sup> 2008	HDRTG1	\$63.00
	ACCTCH5	\$6.00
	LCMTGA	\$3.00
	HDRCX12	\$72.00
December 7 <sup>th</sup> through December 13 <sup>th</sup> 2008	DCRDVD810	\$23.00
December 7 <sup>th</sup> through December 24 <sup>th</sup> 2008	HDRCX12	\$72.00
	DCRSR85	\$72.00
	DCRSR45	\$38.00
Control		
December 14 <sup>th</sup> through December 24 <sup>th</sup> 2008	HDRTG1,	\$63.00
	ACCTCH5	\$6.00
	LCMTGA	\$3.00

Ending Inventory - To ensure a successful promotion, Sony encourages participating dealers to accurately plan sell through of their product over the promotional periods. We anticipate that successful participating dealers will plan their business such that they have reasonable on hand inventories of all of the qualifying SKU's by November 1, 2008. Participating dealers understand that overages or improper inventory levels of Sony Camcorders at the end of the promotional periods are the sole responsibility of the dealer.

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<u>Program Variances</u> – <u>Sony reserves the right to refuse any and all payments to any participating dealer if any of the Program guidelines are not followed.</u> Sony reserves the sole right to decide if a participating dealer has performed outside of Program guidelines

### **Claim / Collection Requirements**

<u>Claim Submission & Payment</u> – All claims submitted to Sony for the trailing credit amounts must be received no later than close of business February 28, 2009. Sony reserves the right to reject any trailing credit claims received after this date. Program claims must be submitted as a single package document (participating dealer shall submit all paperwork in a single claim for the entire Program). Sony will pay all undisputed claims in full within 30 days.

<u>Claim Contents</u> – Claims to Sony <u>must</u> contain the following data:

- Sell through of product (unit basis) for the weeks outlined in the above Program on a by SKU basis. Credits issued by Sony will not, for any reason exceed the amounts defined in the Trailing Credit Section above.
- Copies of the advertisements that were run by the dealer showing full participation. (The advertising claims submitted will not be valid unless they ran on the applicable Program dates with respect to eligible products.)
- Debit Memo for the total trailing credit amount being requested from Sony referencing Sales News DI-08-75.

### **Credits, Discounts & Rebates Programs**

Credits, discounts, rewards and rebates issued to the Retailers under this Program are available for use by the Retailers only for the future purchase of products from Sony, are not cash equivalents, do not create a right of payment to the Retailers, and are not deemed earned until products purchased with them are paid for in full. Any such credits, discounts, rewards and rebates are subject to all of Sony's rights under applicable state or federal law, including, but not limited to, its rights of setoff and recoupment.

If Retailer is the subject of a voluntary or involuntary bankruptcy proceeding, Sony will have the full right to effect a reconciliation of accounts with the Retailers by applying any such credits, discounts, rewards and rebates due to the Retailers against amounts due to Sony.

If any merchandise or amounts previously paid by Retailers to Sony are returned, forfeited, or subject to avoidance or similar action for any reason, including in any bankruptcy proceeding or similar proceeding under any similar state or federal law, such credits, discounts, rewards and rebates will be deemed null and void and not earned, and any credits, discounts and rebates previously issued to the Retailers that, for whatever reason, are not deemed null and void, will be used to offset any amounts due Sony.

Please note that any deviation from these terms and conditions will result in Sony's refusal to pay trailing credits. Participating dealers who elect to engage in advertising practices outside the above defined requirements will not be eligible for the trailing credit payments described above. This Program may be terminated or modified by Sony at any time at its sole discretion.

#### Credits Administration

CSS please use Reason Code ZAM and reference the Sales News DI-08-75.

Questions regarding coding of credits, please contact DIAD Finance Kristen George.

Sales News Administration: Pricing Support Services

EMail address: Pricing Support Services